THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) No, Sir.

Defaulter Plantation companies in M.P.

2763. MISS MABEL REBELLO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the plantation companies that have collected funds from the public in Madhya Pradesh during the last three years;

(b) whether Reserve Bank of India has directed these plantation companies to refund money to the investors;

(c) how many companies have refunded the money to the investors and how many have not refunded the money, company-wise and the amount due to them as on date; and

(d) whether SEBI has any mechanism to force the companies to refund the money to the investors alongwith the capital and interest?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The Securities and Exchange Board of India (SEBI) regulates collective investment schemes in terms of the SEBI (Collective Investment Schemes) Regulations, 1999. In terms of these regulations, no person other than a Collective Investment management Company which has obtained a certificate of registration under the Regulations, can carry on or sponsor or launch a Collective Investment Scheme (CIS). Also, no existing CIS can launch any new scheme or raise money from the investors even under the existing schemes, unless a certificate of registration is granted to it under the said Regulations.

As on 6th August 2002, SEBI has received information from 660 entities including entities in Madhya Pradesh, which had reportedly mobilised about Rs. 2690 crore from investors. SEBI has launched criminal prosecution against several of these entities for failing to wind up their schemes and repay their investors in terms of the Regulations.